

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

**James E. Sullivan, as Receiver for
Central Sleep Diagnostics et. al.**

PLAINTIFF

V.

**Ken Dachman, Central Sleep
Diagnostics, Lynn Dachman, Jillian
Dachman, David Dachman, Gary Parisi,
and Gina Parisi**

DEFENDANTS

Case No. 10-6162

**PLAINTIFF’S RESPONSE IN OPPOSITION TO DEFENDANT’S MOTION FOR
APPROVAL TO WITHDRAW REASONABLE AND ORDINARY LIVING
EXPENSES**

Now comes Plaintiff, James E. Sullivan, as the Receiver (“Receiver”) for Central Sleep Diagnostics and for his response in opposition to defendant Kenneth Dachman’s Motion for Approval to Withdraw Reasonable and Ordinary Living Expenses states as follows:

1. Defendant Ken Dachman has, in masterly satire, with barely a word wasted, filed a bare bones Motion seeking the Court’s approval to withdraw “reasonable and ordinary living expenses” in the amount of \$13,200 per month (\$158,400 per year) to support his entire family of six adults and one grandchild in a thirteen room mansion in Lake Forest, IL.
2. Mr. Dachman has chosen not to disclose the source of the monies he seeks to withdraw to support his brood. However, since he has previously stated in his request for Appointment of Counsel that he has no money, one suspects the

source of the monies is Mr. Dachman's fraud upon his investors. Thus, Mr.

Dachman wants his investors to pay him and his family monthly support.¹

3. Significantly, while Mr. Dachman seeks monthly living expenses for his family, which includes six adults and one grandchild, his November financial statement, which he signed under oath seeking pro bono counsel states in Paragraphs 10 and 11 that "no persons live with him who are dependent for support and there is no person not living with him who is dependent on support." See exhibit A attached hereto. Apparently Mr. Dachman's entire family now seeks support from the victims he fleeced while they reside in a mansion in Lake Forest, IL.
4. Meanwhile, Plaintiffs Counsel has been advised that despite Mr. Dachman having no assets, he has retained the law firm of Stetler & Duffy to represent him in an ancillary criminal matter, the law firm of Mauck & Baker through Andy Norman to represent him in this civil matter and Mr. Dachman also has retained a private investigator, Tom Severin, in this case. It would seem that, at least with respect to lawyers, Mr. Dachman does not want for money; and that is a good thing!

¹ This request calls to mind the legal classic and National Book Award winner "A Frolic of His Own" by William Gaddis. In this book, which every lawyer should read, the main character is injured while hot-wiring his car which rolls over on him and so he sues himself. The novel's wonderful opening line is, "Justice? You get justice in the next world, in this world you get the law." Mr. Gaddis' main character later opines "Most litigation is seen as futile because it can never satisfy ...its real purpose: 'It's the only common reference people have for making other people take them as seriously as they take themselves.'.. one must simply live through corruption. Even become part of it."

Another—even funnier—legal charade running through the novel involves the lead character's nonagenarian father, a distinguished Federal judge. The case over which Judge Crease presides: A contentious sculptor called R. Szyrk has erected a towering, metal sculpture ("Cyclone Seven") in a small Virginia village. A dog, Spot, belonging to a little boy, wanders into the intricate sculpture and is entrapped in its complex entrails. The village wants to rescue the dog, but the sculptor gets an injunction forbidding any tampering with his work of art. Judge Crease rules in favor of the sculptor, provoking a nationwide, televised campaign to "Save Spot."

The case at hand may be proceeding in a similar vein.

5. With respect to Mr. Dachman's financial declaration in this case the Court should be aware that substantial evidence indicates that Mr. Dachman converted \$329,000 of investor's monies to purchase a home in Lake Forest, Illinois; and what a home it is! According to the Richly Colonel web site for 1100 W Keswick Lane, Lake Forest, IL the Dachman residence is "Situated on 2 private wooded acres with a 1,200 square foot patio and a covered porch." The Dachman estate includes:
 - a. "13 rooms, 4 bedrooms, 5.3 bathrooms";
 - b. "A maple paneled 20x17 library with a stone fire place";
 - c. "A 35x16 game room, that easily converts to 5th and 6th bedrooms";
 - d. "A 15x13 exercise room";
 - e. 5 fireplaces;
 - f. "Imported Italian stone throughout";
 - g. "A 20 x 18 family room with a wine bar";
 - h. "A 38 x 23 Great Room with 2 stone fireplaces." See exhibit B attached hereto.
6. In other words, Mr. Dachman apparently now seeks to provide for six able bodied adults in a lifestyle for the rich and infamous. Their expenses include \$3,800 a month rent, \$950 for two cars and \$1,400 for home care to be provided by a woman who comes to their house 2-3 times per week "to dispense medicine, help with meal and errands and perform house keeping tasks." An additional \$500 is requested for daycare for his granddaughter (so either the adults are employed and unavailable or unemployed and incapable of baby-sitting a small child) and basic cable televisions and incidentals.
7. Of course Mr. Dachman has not paid the \$8,500 rent on the house and the Receiver will soon be moving for his eviction as well as a Fraudulent Conveyance action against the title holders.

8. Plaintiff suggests that given Mr. Dachman's business acumen² he and his family seek gainful employment. After all, living in this 13 room Lake Forest mansion is Mr. Dachman who has a Ph.D. (albeit not from Northwestern), his son-in-law Gary ("Picasso") Parisi who received \$300,000 of investors' monies for a tattoo parlor, his daughter Jillian who is a cosmetologist (and live in boyfriend), his wife Katherine who is a greeter for United Airlines (but previously was the human resources/accountant for CSD), and Gina Dachman an able bodied adult hopefully qualified and competent to take care of her own daughter.
9. Plaintiff opposes Mr. Dachman's bizarre request for "total reasonable and ordinary living expenses of \$13,200". They are not reasonable and they are not ordinary. They are fanciful and weird. While Mr. Dachman may live in an alternate universe of fantasy (Madoff world) this request has no basis in fact or law and must be denied.

WHEREFORE, Dachman's Motion for Approval to Withdraw Reasonable and Ordinary Living Expenses should be denied and Plaintiff awarded reasonable fees for having to respond to this frivolous motion.

Respectfully submitted,

By: /s/ James B. Koch

James B. Koch

² In his website, Key Partners, he describes himself as a brilliant, Ph.D. entrepreneur, best selling author, diet expert, father's rights advocate and businessman with deep ties to Fortune 500 companies. His son-in-law, Mr. Parisi, is described as a major advertising executive and tattoo specialist. Indeed, the entire Dachman family is variously described on the website as brilliant and highly talented, thus employable. Even in this bleak economy where graduating law students search for jobs surely there is employment for a brilliant Ph.D., a tattoo artist, a cosmetologist, and a professional greeter.

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